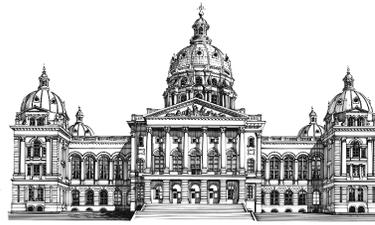


# Iowa Legislative Fiscal Bureau

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October 13, 1995

## Use of Vacation and Sick Leave by State Employees

### ISSUE

Use of vacation and sick leave by State employees, excluding Board of Regents institutions.

### AFFECTED AGENCIES

All, except Board of Regents Institutions.

### BACKGROUND

The purpose of this **Issue Review** is to summarize State employees' vacation and sick leave usage during FY 1995. To ensure accurate comparisons between departments, only employees considered full-time have been considered.

#### ***Vacation Leave***

Vacation accrues to State employees based on years of service. The following table summarizes the vacation accrual rates for full-time employees:

**Table 1**  
**Vacation Accrual Rates**

| <u>Years of Service</u> | <u>Amount of<br/>Vacation (hours)</u> |
|-------------------------|---------------------------------------|
| Up to 4                 | 80                                    |
| 5 through 11            | 120                                   |
| 12 through 19           | 160                                   |
| 20 through 24           | 176                                   |
| 25 and beyond           | 200                                   |

In addition to the amounts stated above, each employee receives 16 hours of unscheduled holidays annually, which are added to the vacation totals stated above.

Employees are eligible to convert sick leave to vacation if the employee has accrued a minimum of 240 hours of sick leave. The conversion is based on three hours of sick leave for one hour of vacation. Administrative rules restrict this conversion to 48 hours of vacation

annually, and an employee's maximum vacation balance can increase due to sick leave conversion by up to 96 hours.

Vacation leave has a maximum balance of twice the employees annual rate of accrual, excluding sick leave conversion. For example, if an employee is eligible to earn 80 hours of vacation annually, the maximum vacation balance the employee may accrue would be 160 hours. If the employee was eligible for sick leave conversion, the maximum balance the employee would be able to accumulate would be 256 hours.

At the time an employee leaves State employment, all accrued vacation is paid in a lump sum at the employee's hourly payment rate.

#### **Sick Leave**

Sick leave accrues for all permanent and probationary employees at the same rate, regardless of years of service. Each employee receives 12 hours of sick leave per month. When the employee leaves State employment, most sick leave is lost and is not paid out except to members of the State Police Officers Council (SPOC) bargaining unit, which may receive payment for unused sick leave. Employees not in the SPOC union are limited to a payment of up to \$2,000 upon retirement.

### **CURRENT SITUATION**

#### ***Vacation Usage***

During FY 1995, a total of 3.4 million hours of vacation was earned by full-time State employees. Over the same period, a total of 3.2 million hours of vacation was used. Vacation usage includes time taken by employees as vacation leave and vacation used as part of the vacation buyback program. A total of 21,867 employees were included in the calculations, representing 21,619.0 FTE positions. These numbers may be slightly larger than actual end-of-year FTE position counts because persons leaving employment during the fiscal year have their usage counted.

The largest employers, the Department of Human Services (DHS) and the Department of Transportation (DOT), have the largest amount of vacation balances outstanding. The DHS has 908,000 hours of vacation balance and the DOT has 756,000. This is approximately 45.0% of the total amount of vacation hours which are due employees.

As discussed in the next section, employees may exchange three hours of sick leave for one hour of vacation, once a certain maximum amount of sick leave is reached. Slightly over 1.0 million hours of vacation were accrued in this manner.

The average State of Iowa employee used 145.9 hours of vacation (approximately 3.6 weeks) during FY 1995 and earned 155.6 hours during the same time period. The largest per employee usage of vacation was by the Department of Elder Affairs at 173.7 hours of vacation, with the lowest average being the General Assembly at 66.1 hours. It should be noted that although the General Assembly has the lowest, this is due to legislators being counted as full-time employees, even though they do not earn vacation. Attachment A shows the average vacation hours used by department. Attachment B shows the total vacation hours used by department.

The vacation buyback program was initiated during FY 1994. The program allows employees, at the discretion of the employing agency, to sell back up to 40 hours of vacation annually if the employee has a minimum of 160 hours of accrued vacation. The payment is made to the employee during the last pay period in June. Of the 41 agencies and departments, 23 had

employees who participated in the FY 1995 vacation buyback program. For FY 1995, 1,826 employees participated in the program, selling back a total of 66,157 hours of vacation. On average, each employee sold back 36.2 hours of vacation. The total dollar value of the vacation repurchased by departments was \$1.2 million, with the average payout being \$676.31 per employee.

#### Sick Leave Usage

The figures in the following table are used to develop the sick leave usage, payouts, and balance statistics reported in the remainder of this Issue Review. Each line is explained in the following paragraphs.

|                                 | All<br>Employees | Full-time<br>Employees |
|---------------------------------|------------------|------------------------|
| Regular Hours                   | 45,094,005       | 42,738,920             |
| Number of Employees             | 25,783           | 21,867                 |
| Sick Leave Used                 | 1,495,965        | 1,464,669              |
| Sick Leave Converted            | 781,378          | 776,917                |
| <u>Total Sick Leave (Hours)</u> | <u>2,277,343</u> | <u>2,241,586</u>       |
| Sick Leave Earned (Hours)       | 2,798,786        | 2,746,929              |
| Sick Leave Balance (Hours)      | 11,180,093       | 11,047,300             |
| Sick Leave Payout               | \$ 775,065       | \$ 691,566             |

#### Number of Employees and Regular Hours

The number of employees (25,738) represents all individuals who received a salary from the State some time during FY 1995. This number excludes those with specific employment conditions such as inmates and board/commission members. The number of full-time employees (21,867) represents the same employees, but limited to those positions classified as full-time.

Regular hours represent the number of hours worked by the employees as reported in the State payroll system.

#### Sick Leave Used

Sick leave used includes all hours recorded as sick leave, with the exclusion of sick leave converted to vacation. Sick leave includes hours away from work for personal illness, death in the immediate family, or the temporary care of an immediate family member.

The State's 21,867 full-time employees used a total of 1.5 million hours of sick leave during FY 1995. The employees' regular hours (which include time taken as sick leave), totaled 42.7 million hours. Therefore, the State's full-time employees took sick leave an average of 3.4% of the total regular hours worked. On average, this equates to approximately 71.3 hours for a person employed full-time for the entire fiscal year.

The highest number of sick leave hours used by an individual during FY 1995 was 1,327.3. Of the 16,049 employees that worked the entire year (2,080 hours or more), and earned sick leave, 1,582 (9.9%) used no sick leave.

By department, sick leave used by full-time employees, as a percentage of hours worked was highest (5.1%) for the 759 employees of the Veterans Affairs Commission, while it was lowest for

the employees of the Office of State-Federal Relations (0.8%). See Attachment C for a listing by Department.

#### Sick Leave Converted

Sick leave converted represents those employee sick leave hours converted to vacation. State employees are allowed to convert three hours of sick leave to one hour of vacation each month, as long as that employees sick leave balance exceeds 240 hours, and no sick leave was taken that month.

During FY 1995, 9,613 State employees converted a total of 781,378 hours of sick leave to vacation. At the 12 hours of sick leave for four hours of vacation ratio, approximately 260,000 hours of vacation were created by sick leave conversion. The employees utilizing the sick leave conversion option averaged 81.3 hours of converted sick leave, or about 27.1 additional hours of vacation.

#### Total Sick Leave

Sick leave total includes sick leave used and sick leave converted.

#### **Sick Leave Earned**

State employees earn up to 144 hours (12 hours per month) of sick leave each year.

#### **Sick Leave Balance**

Sick Leave Balance represents the total amount of sick leave available to State employees at the end of FY 1995. There is no cap on the number of sick leave hours an employee may accumulate. Nine employees have balances in excess of 3,200 hours, with the largest accumulated balance being 4,963 hours. The average sick leave balance for full-time employees was 505.2 hours at the end of FY 1995.

#### Sick Leave Payout

Employees retiring from State employment may be eligible for up to \$2,000 in payment for unused sick leave.

During FY 1995, 445 State employees received a total of \$775,065 in payments for unused sick leave; an average of \$1,742 per recipient. Twenty-four State departments paid one or more individuals for unused sick leave.

### **ALTERNATIVES**

This is presented as an informational item only.

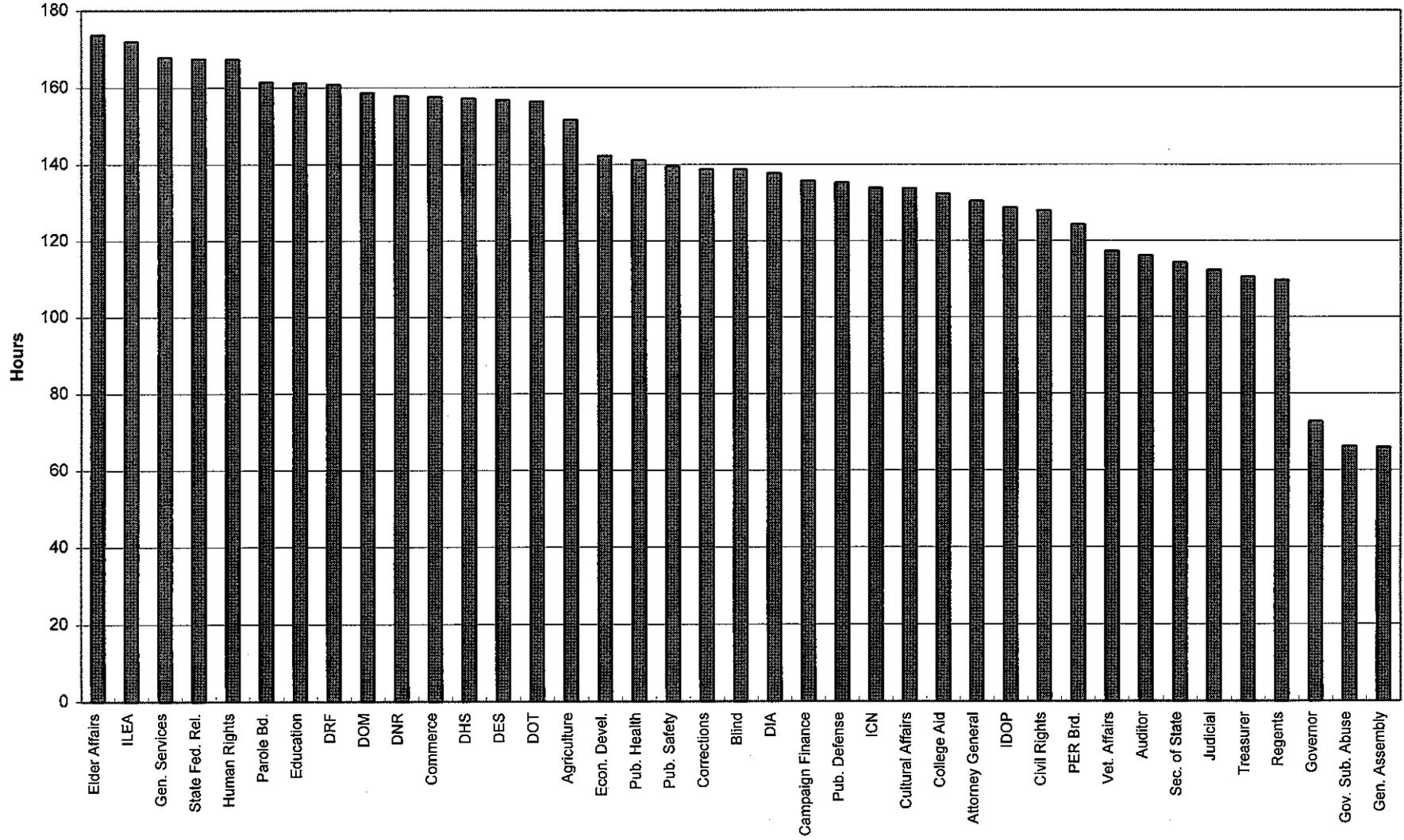
### **BUDGET IMPACT**

The estimated value of outstanding vacation balances is estimated at \$64.4 million (all funding sources) for FY 1995.

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Use of Vacation & Sick Leave by State Employees

### FY 1995 Average Hours of Vacation Used



## 1995 Total Hours of Vacation Used by Department

| Department                             | Hours of Vacation<br>Used |
|--|---------------------------|
| Human Services                         | 912,361                   |
| Transportation                         | 581,200                   |
| Corrections                            | 285,206                   |
| Judicial                               | 215,781                   |
| Employment Services                    | 154,358                   |
| Natural Resources                      | 121,978                   |
| Education                              | 121,761                   |
| Public Safety                          | 121,667                   |
| Revenue and Finance                    | 101,293                   |
| Veterans Affairs                       | 89,067                    |
| Agriculture                            | 67,022                    |
| General Services                       | 60,771                    |
| Inspections and Appeals                | 54,316                    |
| Commerce                               | 49,497                    |
| Public Health                          | 41,348                    |
| Public Defense                         | 30,451                    |
| Attorney General                       | 28,588                    |
| Economic Development                   | 25,170                    |
| General Assembly                       | 23,848                    |
| Personnel                              | 18,554                    |
| Blind                                  | 13,596                    |
| Auditor                                | 13,010                    |
| Cultural Affairs                       | 10,036                    |
| Human Rights                           | 8,367                     |
| College Aid                            | 5,033                     |
| Elder Affairs                          | 4,863                     |
| Secretary of State                     | 4,799                     |
| Law Enforcement Academy                | 4,127                     |
| Management                             | 3,967                     |
| Civil Rights                           | 3,712                     |
| Governor                               | 3,055                     |
| Treasurer                              | 2,876                     |
| Board of Regents Office                | 2,084                     |
| Parole Board                           | 1,614                     |
| Public Employment Relations Board      | 1,493                     |
| Iowa Communications Network            | 1,473                     |
| Campaign Finance                       | 1,087                     |
| Governor's Substance Abuse Coordinator | 662                       |
| State-Federal Relations                | 335                       |
|  | 3,190,425                 |

## FY 1995 Sick Leave Used Per 100 Hours Worked

Attachment C

